

Fiscal Year End 2007 Payroll Reporting and Informational Update

TO: All Payroll Clerks

FROM: MPERA Fiscal Services Bureau

DATE: May 2007

With the 2007 fiscal year coming to a close, we are taking this opportunity to emphasize several points for a smooth transition into fiscal year 2008.

A. JUNE 2007 PAYROLL REPORTS

MPERA's fiscal year end processing **requires** that all June 2007 payroll reports and contributions be received in our office and be in a balanced status no later than July 9th. Reports received after July 9th **will not** be reflected on the members' annual statements.

- If you will have additional June 2007 paydays, notify Shelly Pardis or Mary Popp **prior** to submitting any June reports. You will then be advised of the correct processing procedures.
- Information from amended June payroll reports **may not** be reflected on the members' annual statements.
- Do not submit extra buyback payments with your June payroll. A buyback contract allows only one full payment per month. Buyback contracts do not require payments in months when no compensation is received.

B. PASSWORD CHANGES

A security feature has been added to our Online Reporting system. Every 60 days you will be prompted to change your password. The password must be 6 characters in length and have at least 1 alpha and 1 numeric character. It cannot be the same as your user name nor can your user name be a part of your password.

C. CONTRIBUTION RATE CHANGES

Increase in Employee Contributions

There are no FY 2008 employee contribution rate changes for any retirement system.

Increase in Employer Contributions

The employer contributions for PERS and SRS will increase on July 1, 2007. A second increase is scheduled for July 1, 2009. The following charts show the required FY2008 employer contributions.

Public Employees' Retirement System (PERS)

	Current Contributions	July 1, 2007	
		Increased Contributions	Total Contributions
State & University Employer Contribution Rate	6.9%	0.135%	7.035%
Local Government Employer Contribution Rate	6.8%	0.135%	6.935%
STATE Contribution for Local Governments	0.1%	0.0%	0.1%
School District* Employer Contribution Rates	6.8%	0.0%	6.8%
STATE Contribution for School District Employers	0.1%	0.135%	0.235%

*School Districts are defined as K-12

Sheriffs' Retirement System (SRS)

	Current Contributions	July 1, 2007	
		Increased Contributions	Total Contributions
Current Employer Contributions	9.535%	0.29%	9.825%

D. SUMMER REPORTING

Advise MPERA if your payroll reporting frequency will change or if you will have no payroll reports for the summer months.

- Web reporters, see page 1-4-23 of the "MPERA Online Payroll Reporting Guide", Section I-IV, for instructions on how to complete a 'No File for Report Period' or contact Mary Popp.
- Paper reporters must notify MPERA of any changes prior to the final report of the fiscal year.

DO NOT withhold PERS contributions from lump sum payouts of vacation, sick and compensatory leave paid without termination of employment. (See §19-3-108(1)(a)(v), MCA, effective in 2001.)

E. MEMBER ADDRESS UPDATES - Do not use Membership Cards

The Defined Benefit Retirement Plan Annual Statement for all retirement systems will be mailed to the member's home address in July. MPERA relies on you, the employer, to provide correct mailing addresses for your employees. If MPERA has no member address on file, the Annual Statement will be mailed to you for forwarding.

Addresses must be updated monthly. Include name, complete mailing address and social security number.

- Web reporters may submit address changes by uploading your system-generated file or by direct input to the MPERA system.
 - When you transfer your employee address file, you should get the following message.

Step 3: Validate File	Your address file loaded successfully without any errors. No further action is required.
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- If this message is not received, then go into the file and correct errors as the addresses will NOT process until the file is error free.
 - **Monthly validation is required of web reporters even if there are no address changes.**
- Paper reporters may submit address changes electronically or with your payroll report.

You cannot include addresses for terminated employees in your WEB address reporting. Terminated employees must submit address changes by email or in writing directly to MPERA.

F. SEASONAL/TERMINATED EMPLOYEES

Seasonal employees must be indicated as “Seasonal” on all payroll reports. Otherwise MPERA will distribute the account when contributions lapse.

Use the “Terminated” indicator for all terminating employees not returning to work for your agency.

- Web reporters must check the “TERM” box to the left of the employee's earnings.
- Paper reporters must write "**terminated**" in red above the employee's name.

G. REFUND APPLICATIONS

Photocopies of the ‘Terminated Employee Refund Application’ taken from the Employer Handbook will not be accepted. A current version of the form and instructions can be found on our website under the Publications Tab/Employer Forms.

H. SOCIAL SECURITY NUMBER CORRECTIONS

Social security number errors must be corrected on your next payroll report **AND** Mary Popp must be notified. Web reporters must verify that all social security numbers are entered correctly. Incorrect social security numbers may result in multiple accounts for the member, and incorrect retirement data.

I. MEMBERSHIP CARDS AND BENEFICIARY INFORMATION

When an active employee changes their name or beneficiary, a new membership card must be completed and submitted to MPERA immediately. The new card replaces the old card. Both sides must be completed and the signature witnessed by someone other than a beneficiary. Incomplete cards will be returned and processing will be delayed.

Beneficiary Information

- Social security numbers must be provided for all beneficiaries. If the beneficiary has no social security number, contact Dee Feddes.
- If the beneficiary is a trust, the trustee must be listed as a beneficiary and the trustee's address must be provided.

Submit membership cards to MPERA immediately upon receipt. Changes are not effective until the card is filed with MPERA.

J. HANDBOOKS FOR NEW EMPLOYEES*

New employees **in the following systems** should be given the appropriate retirement system handbook.

- GWPORS; most current version is June 2002
- HPORS; most current version is January 2003
- SRS; most current version is January 2006
- MPORS; most current version is February 2004
- FURS; most current version is January 2003
- JRS; most current version is January 2003

New employees in **PERS** should be given:

- the PERS membership card and
- the Welcome to PERS brochure

MPERA will send retirement plan choice information, including retirement plan election forms, to new PERS members. Once an election is received, MPERA will follow up with the appropriate plan information on an individual basis. **DO NOT** give new employees in PERS the PERS Handbook or a retirement plan election form.

K. INTEREST

Effective July 1, 2007, interest credited to individual accounts in the defined benefit retirement plans, will increase from 3.75 to 4.5%.

Contact us if you have questions.

Mary Popp	Active Database Manager	(406) 444-5458	mpopp@mt.gov
Shelly Pardis	Active Database Support	(406) 444-9171	spardis@mt.gov
Dee Feddes	Membership Cards	(406) 444-5452	dfeddes@mt.gov
Telina Duncan	Refunds	(406) 444-2953	tduncan@mt.gov
*Forms and Handbooks can be found on the MPERA website at http://mpera.mt.gov			